COLUMBIA BASIN TRUST

a legacy for the people

SERVICE PLAN 2003-2005

February 19, 2002

103-03803/

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LETTER OF PRESENTATION

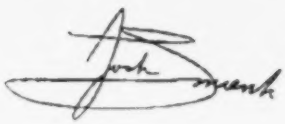
January 31, 2002

The Honourable Richard Neufeld
Minister of Energy and Mines
Province of British Columbia

Minister:

I have the honour to submit for your approval the Service Plan of the Columbia Basin Trust for the year ending March 31, 2003.

Sincerely,

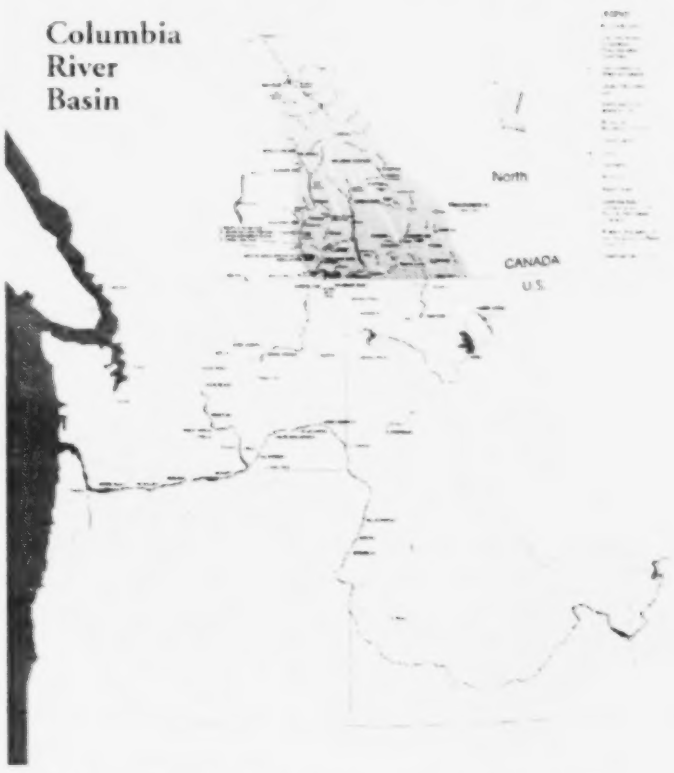


Josh Smienk
Chairman of the Board of Directors
Columbia Basin Trust

1 OVERVIEW

In 1964 Canada and the U.S. ratified the ***Columbia River Treaty (CRT).*** Out of that Treaty, three storage dams were constructed in the Canadian Columbia Basin (Mica, Duncan and Keenleyside) and one in Montana (Libby), whose reservoir floods back into B.C. The dams were created for the purposes of maximizing flood control and power production in both Canada and the U.S. The people of the Canadian Columbia Basin were affected, firstly in terms of the original displacement, loss of community and loss of arable land, and secondly through the ongoing negative effects of the dams: climate change, loss of grazing land for large ungulates, water level fluctuations of up to 140 feet, dust storms, municipal boat docks 20 kilometres from water at low water times, etc.

In the early 1990s, the people of the Columbia Basin came together to press the Province for recognition of the injustice of this situation. Areas outside the Basin enjoyed most of the benefits from the Treaty, while most of the negative effects were, and still are, felt by the Basin and its residents.



As a result of the efforts of the people of the Basin, the Columbia Basin Trust (CBT) was created in 1995 by the ***Columbia Basin Trust Act***. The Act's purpose is to mitigate the ongoing negative effects of the dams built under the Columbia River Treaty, and to recognize of the lack of consideration of the people of the Columbia Basin during the Treaty negotiations.

The Columbia Basin, as defined in the Act, is the Columbia River watershed in Canada, which has been impacted by the building of the CRT dams. It reaches from Valemount in the North to the U.S. border in the South, and from the Continental Divide in the Rockies to the height of land in the Monashees. The Canadian Columbia River Basin contributes 50 per cent of the inflows for the entire Columbia River, represents 50 per cent of electricity produced for consumers in B.C., and provides additional electricity in the U.S.A., bringing returns to B.C. in the form of Downstream Benefits. The map on this page illustrates the Columbia River Basin.

The Columbia Basin Trust is a regional Crown Corporation situated in the Columbia Basin. It is not an agent of the government [1]. The Columbia Basin Trust reports to the people of the Basin through bi-annual Reports to Residents. The CBT also produces an annual report for Basin residents, which the Minister Responsible for the CBT tables in the Provincial Legislature. As of 2001, Columbia Basin Trust also produces an annual Service Plan and provides the Minister with Quarterly Financial Statements.

A Board of 18 Directors governs the Columbia Basin Trust. Local governments (five regional districts and the Ktunaxa/Kinbasket Tribal Council) each select two directors and the Government of B.C. appoints six directors. All directors must be Basin residents. The directors govern according to the Columbia Basin Management Plan (CBMP), which was developed through broad public consultation.

The Columbia Basin Trust has 26 staff working in four offices placed in key geographic locations. The corporate head office is located in Castlegar, with regional offices in Cranbrook, Nakusp and Golden. The four offices are strategically placed to provide easy access to Columbia Basin Trust by its stakeholders.

The Columbia Basin Trust's primary business is to invest the funds granted to it through the ***Columbia Basin Trust Act*** and subsequent ***Financial Agreement*** between the Province of B.C. and the Columbia Basin Trust, dated July 27, 1995, which gave the Columbia Basin Trust endowment capital of $45 million, another $250 million to be invested in power projects in the region, and an additional $32 million in 16 annual instalments of $2 million for operating costs in the developmental years.

The power projects are in joint venture partnership with the Province of British Columbia through its agent, the Columbia Power Corporation (CPC), whose fiscal contribution is $250 million in equity. Projects are developed jointly through Power Project Planning Joint Ventures, with both parties having a veto. The Columbia Basin Trust is mandated to invest the legacy, to engage in joint venture power projects, to use the income to help create a prosperous economy with a healthy, renewed natural environment, and to include the people of the Columbia Basin in the decision making process. The Columbia Basin Trust was also directed to create a management plan (Columbia Basin Management Plan) in consultation with the people of the Basin.

The Columbia Basin Trust's core services are to invest the capital and manage the assets of CBT, and to spend the income earned from its investments to deliver benefits to the region. Its mandate, as set out in the Columbia Basin Management Plan, is:

- To manage the assets, including money allocated by the Province for power projects and other investments, for the ongoing economic, environmental and social benefit of the region, without relieving governments of their obligations.
- To include the people of the Basin in planning for the managing of these assets and to work with others to coordinate activities related to the corporate purpose of the Columbia Basin Trust.

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[1] (Columbia Basin Trust Act, Part 2, section 2(5)).

2 STRATEGIC CONTEXT

2.1 Vision

The Columbia Basin Trust will have a successful portfolio of investments in the Basin, a proven track record, well-established and productive working relationships, and consistent and widespread public support.

This will lead to the vision for the Columbia River Basin as a place where social, environmental and economic well-being is fostered, where collaborative relationships and partnerships are established within a healthy environment as the basis for social and economic activities, and where the economy is diverse, resilient and energized.

2.2 Mission

The Columbia Basin Trust supports efforts by the people of the Basin to create a legacy of social, economic and environmental well-being, and to achieve greater self-sufficiency for present and future generations.

2.3 Values

The values under which the Board of Directors and staff of the Columbia Basin Trust work are: Inclusive, Efficient, Respectful, Community-based, Sustainable, Responsible, Supportive, Creative, and Responsive

2.4 Planning Context and Key Strategic Issues

The Columbia Basin Trust operates in the southeast area of the province, many parts of which have experienced high unemployment rates and relatively low standards of living. The main industries are softwood lumber and related industries, tourism, and mining. The current softwood lumber dispute with the U.S. and corresponding employment issues are reflected in this area. September 11 has reduced the number of tourists travelling to the area to ski or participate in other outdoor/tourism activities. The lack of broadband Internet access limits many high technology industry opportunities in the area. Additional challenges include difficult winter driving conditions, long narrow valleys that exclude easy access to various parts of the Basin, and a radar-less airport in the West Kootenay, which reduces the option of reliable travel for business and tourism.

In particular areas of the Basin, concerns are expressed about provincial employee cutbacks, which will affect consumer spending and thus the small business community. Big box stores are locating in the area. It is well documented these drain small town businesses, while paying low wages to employees. In addition, there is a lack of enthusiasm on the part of commercial lending institutions to lend money to new and expanding businesses in B.C. (e.g. a major trucking company in South eastern B.C. was advised to locate its head office in Calgary in order to qualify for proper financing). All of these events mean a reduction in the general economy of the area. Basin residents look to the Columbia Basin Trust to help provide some answers.

Risk:
Development of business is a difficult exercise in the Columbia Basin for the above reasons.

Risk Management Strategy:
The Columbia Basin Trust is looking at means to bring new industries to the area and is encouraging existing businesses, which will bring more work and create viable jobs for residents. The CBT will continue its investment in hydro projects, the strategy being: (a) design /build contracts for turn key projects to reduce construction risks and utilize private sector expertise and (b) secure contracts for electrical sales that reduce exposure to spot market prices and give long-term reliable income to CBT.

Risk:
Weather and, in particular precipitation, hold risks. At times of low precipitation, such as the winter of 2000-01, the reservoirs remained at their lowest levels for several months. Lack of sufficient water means power cannot be generated at the Arrow Lakes Generating Station, thus reducing forecast incomes. It also means ugly, unsightly and extensive bare soil in the reservoirs, which reduces summer tourism dollars coming to the area.

Risk Management Strategy:
The Columbia Basin Trust is working with BC Hydro to investigate the possibility of cloud seeding to bring additional precipitation to the region.

Risk:
The amount of money B.C. spends on fish and wildlife mitigation in the Columbia Basin has been a past issue in applications for equity between Canada and the U.S. This perceived inequity could affect access to the U.S. market for B.C. power sales, which have been and will become a target.

Risk Management Strategy:
The Columbia Basin Trust provides an important public forum for the coordination of Columbia River environmental issues, such as with the Northwest Power Planning Council (NPPC) in the U.S. The CBT and the NPPC have formalized their international relationship. Such relationships provide an effective public forum for fish and wildlife coordination and restoration within the Treaty's power and flood control requirements.

Risk:
The inability of major financial institutions to loan money to new and growing businesses in the Columbia Basin is detrimental to the local economy.

Risk Management Strategy:
The Columbia Basin Trust's investment program, which involves working with partners like local Credit Unions and Community Futures Development Corporations, facilitates business loans in the Basin. Its venture capital projects have enabled new business ventures to start, and the financing has leveraged investments from the major institutions. The Board Investment Committee is working with Watson Wyatt Worldwide to review its investment policy and strategies.

Risk:
Low interest rates are already affecting the income of the Columbia Basin Trust for those investments which are tied to current interest rates, as well the price of power. Winter 2001-02's lower power prices relate to a major reduction in the projected income from CBT's power projects. This information must be communicated to Basin residents at a time when there was an expectation of increased funds (and therefore larger, more significant projects) coming available.

Risk Management Strategy:
Actively monitor investments and prepare clear and ongoing communications with residents as to the current state of affairs. The CBT is also taking steps to balance the risk level of its portfolio.

Risk:
Another strategic risk is public perception of responsibility. The Columbia Basin Trust's mandate is to work with partners and Basin organizations to distribute funding and diversify the decision making process. However, the CBT is still seen by the public as fully responsible for all programs. If a partner or project proponent does not perform well, CBT is seen as responsible, even though its mandate is to delegate decision making.

Risk Management Strategy:
The Columbia Basin Trust is currently evaluating its delivery model including making clear in our communications the roles and decision-making authority delegated to partners and/or project proponents.

Risk:
The Columbia Basin Trust is in the B.C. Government's Core Services Review process and a task force is currently developing recommendations for a new Energy Review Policy. These factors add additional uncertainty to the region and may bring about changes in the plan hereby presented.

Risk Management Strategy:
The Board of Directors and staff are prepared to review strategies, communications, and plans as soon as the Core Services Review and Energy Review Policy directions are received from government.

Risk:
There will be additional pressure for CBT to provide services normally being delivered through governments. Columbia Basin Trust's legislation states the organization should not relieve any level of government of its responsibilities to the public.

Risk Management Strategy:
The Board of Directors to review policy to respond to current economic pressures, while ensuring the reasons for the creation of CBT continues to be the primary focus.

Risk:
There is a high cost to exploring investment opportunities in the electrical generation field.

Risk Management Strategy:
Consider new investment policies set on power as well as non-power investment opportunities. which limit exposure costs resulting from due diligence of acquisition or partnerships.

3 GOALS, OBJECTIVES, KEY STRATEGIES, PERFORMANCE MEASURES AND TARGETS

The Columbia Basin Trust recently concluded an organizational evaluation conducted by an outside consultant agency and is currently reviewing the delivery model being used to deliver the benefits to the region. As a result CBT's performance measurement, particularly with regards to benchmarks, indicators and reporting mechanisms are in the development stage. CBT does much of its work in partnership arrangements with other organizations and will working them in this development process. CBT anticipates that this development work and the consultation with its partners around performance measurement will result in improved accountability, performance management, and reporting in the future.

3.1 Corporate Services to Stakeholders

Overall Goal: The Columbia Basin Trust will facilitate excellent policy and decision making by the Board of Directors, review its delivery model, processes and procedures, and enable CBT staff to spend the majority of their time working directly with the people of the Basin, building partnerships to avoid duplication and enabling the Basin-wide priorities of the Columbia Basin Management Plan to be accomplished.

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Give stakeholders clear and timely information on CBT, its programs and financial activities. Enable stakeholders to easily access CBT and its programs.	Clear and consistent reporting of CBT programs. Detailed and useful information to public on CBT financial activities. Information is timely, clear and uses plain language.	Information provided to residents through bi-annual Report to the Residents, financial and program updates produced with open, friendly and plain language, representing stakeholders' point of view.	Public continues to have detailed information on CBT programs. Positive public feedback on CBT communications.	Public continues to have detailed information on CBT programs. Positive public feedback on CBT communications.	Public continues to have detailed information on CBT programs. Positive public feedback on CBT communications.
Ensure CBT funding is delivered to Basin residents in an effective and efficient manner.	Delivery model is evaluated and any changes resulting from evaluation are implemented.	Delivery model evaluation report and Board approved changes to delivery model.	Delivery model evaluation completed and changes have Board approval.	Board approved changes are implemented.	Funds are delivered consistent with improved delivery model.

Ensure the Columbia Basin Management Plan, which guides CBT activities, is reviewed to ensure it reflects current Basin resident priorities.	The Columbia Basin Management Plan is reviewed and updated to reflect any changes to Basin residents' priorities since 1997.	Updated Columbia Basin Management Plan enables CBT to follow residents' priorities for Basin economic, social and environmental restoration.	Board approved evaluation plan for the Columbia Basin Management Plan review; review complete.	New Plan is approved by the Board at a public meeting.	New Plan is operational. Benefits reflect regional priorities.
	Offices and staff in four key geographic locations in the Basin. CBT anticipates income, and therefore programs, to increase. No new staff anticipated to handle new workloads.	Offices in Golden, Nakusp, Cranbrook and Castlegar.	Public have easy and continual access to CBT, building community capacity.	Public have easy and continual access to CBT, building community capacity.	Public have easy and continual access to CBT, building community capacity.
	Procedures streamlined to provide prompt response to public.	All inquiries responded to within 14 days.	No complaints received from public regarding response time.	No complaints received from public regarding response time.	No complaints received from public regarding response time.
	Provide "read only" quarterly financial reports to public through web.	Public accessing quarterly financial reports on website.	Quarterly reports on website.	Monitor and review public access to reports through number accessing website.	Monitor and review public access to reports through number accessing website.
	Attend trade fairs and public meetings to meet stakeholders.	Number of face-to-face conversations with stakeholders at trade fairs and public meetings.	Face-to-face conversations with at least 1,000 stakeholders.	Face-to-face conversations with at least 1,000 stakeholders.	Face-to-face conversations with at least 1,000 stakeholders.
	Program applications and evaluations available to stakeholders through website.	Stakeholders use website to access programs.	20% of applications submitted through website.	30% of applications submitted through website.	50% of applications submitted through website.

Ensure issues raised by Monitoring and Evaluation professional consultants. Landfall Consultants (Landfall), are addressed.	Develop and implement CBT responses to issues raised in Landfall evaluation.	Issues raised in Landfall evaluation are addressed.	Issues are prioritized for response and strategies for addressing issues are approved by the Board. Operational plans are changed to meet new Board policies.	Operational changes from Board approved strategy for addressing issues from Landfall evaluation are further implemented.	Reassess as required.
Ensure consistent and meaningful data required to support decision-making is being collected through monitoring and evaluation processes.	Monitoring and evaluation framework is implemented.	Performance data collected on all CBT programs and made available to support decision-making.	Performance indicators for all CBT programs are identified in consultation with committees and partners.	Performance data is collected and utilized for decision-making by all CBT staff, partners and committees.	Performance data is collected and utilized for decision-making by all CBT staff, partners and committees.
	Comprehensive reviews of CBT programs are scheduled and implemented.	Evaluation reports on CBT programs.	A roster of scheduled program evaluations is developed.	Evaluation report for first program scheduled for evaluation is presented to the Board.	Evaluation report for second program scheduled for evaluation is presented to the Board.

3.2 Business Unit 1: Power Projects

Overall Goal: To work with joint venture partner, the Columbia Power Corporation, to develop power generation projects.

In order to work effectively as a joint venture partner of Columbia Power Corporation, the Columbia Basin Trust has created a wholly owned subsidiary, CBT Energy Inc. CBT Energy is responsible for liaising with Columbia Power Corporation, the Manager of the joint ventures. As one of its primary functions, CBT Energy ensures the Manager's criteria for executing business on behalf of the joint ventures adheres to industry standards and to the Columbia Basin Trust goals, objectives and strategies, and that appropriate performance measures are included. CBT Energy has formed a Board of Directors, composed of representatives of the Columbia Basin Trust and of industry experts. Industry experts supplement the knowledge and direct energy business experience required to effectively monitor joint venture management and provide expert policy direction.

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Work with joint venture partner, Columbia Power Corporation, to develop power generation projects.	Protect the value of CBT's assets and continue development of power generation projects at Arrow Lakes Generating Station, the Brilliant Dam upgrade and expansion, and the Waneta expansion within the guidelines of the Financial Agreement, i.e. environmental and economic requirements. Sequence construction to maximize local, experienced work force, reducing project costs. Increased economic activity in Basin due to joint venture investments.	Work with joint venture partner to oversee completion of second unit and completion of design build contract with Kiewit Construction. GE Hydro and Harza Engineering, for electricity power generated at the Arrow Lakes Generating Station.	Income commences from Arrow Lakes Generating Station. Outstanding business issues with Kiewit Construction resolved.	Income from Arrow Lakes Generating Station at projected levels. Private sector financing brought in and capital used for further projects.	Income from Arrow Lakes Generating Station at projected levels. Electricity not in B.C. Hydro 12-year supply contract marketed.
		Brilliant upgrade completed. Continue required maintenance investment in plant.	Upgrade of turbines complete.	Revenue from Brilliant Dam maximized.	Revenue from Brilliant Dam maximized. Further stabilization and plant safety upgrade works.
		Turn key design/build Brilliant Expansion Project started.	Brilliant Expansion Project and power marketing commenced. Design/build competition for turn key facility contract let. Construction to start Fall 2002 if bid acceptable.	Brilliant expansion well under way. Continued oversight of construction project.	Brilliant expansion completed by year-end. Income from electricity realized.

		Development potential of Waneta expansion reviewed.	Eliminate risks by further investigation of environmental issues. Hydraulic modeling, transmission line and substation engineering.	Eliminate risks by further investigation of environmental issues.	Assess project and develop design build strategy. Assess private sector partnerships.

3.3 Business Unit 2: Non-Power Investments

Overall Goal: To secure the capital of the Columbia Basin Trust's overall legacy as directed by the public of the region, and to invest the capital of the Columbia Basin Trust. As directed by the Columbia Basin Management Plan, maintain a steady income flow for the delivery of benefits to the region.

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Invest CBT's original $45 million endowment capital	First priority of investment program is to invest strategically to keep endowment capital intact and concurrent with inflation. Ensure portfolio balance is based on conservative Canadian life insurance investment standards.	Endowment capital intact and increasing to compensate for inflation rate. Comprehensive policy in place to deliver income with portfolio based on conservative Canadian life insurance investment standards.	Endowment capital at $51.5 million based on anticipated 3% inflation rate. Complete contract with Watson Wyatt Worldwide for further Board policy decisions.	Endowment capital at $53 million based on anticipated 3% inflation rate. Pursue investments which are in line with Board investment strategy.	Endowment capital at $54.6 million based on anticipated 3% inflation rate Reassess existing portfolio to ensure it is in line with new strategies.
Provide long-term cash flow from Investments	Invest CBT's endowment capital for returns at industry standards which reflect risk/returns.	Cash flow from investments consistent with industry standards, and meet targets set in Columbia Basin Management Plan.	Cash flow from investments continues at industry standards.	Cash flow from investments continues at industry standards.	Cash flow from investments continues at industry standards.

3.4 Business Unit 3: Delivery of Benefits

Delivered Benefits (Spending Program) Service Plan November 2001

Overall Goal: To spend the income earned from the Columbia Basin Trust's investments to create a region where economic, environmental and social well-being is fostered and the economy is diverse, resilient and energized through:

- Economic development – increase the capacity of Basin communities to identify and meet their own needs.
- Maintaining healthy ecosystems in a naturally functioning state and to improve the functioning of those that have been altered and degraded.
- Promoting access to education and training, which will help residents, adapt to economic changes, promote learning and make information on the Basin easily accessible.
- Helping address problems of poverty in the Basin and assist in the prevention of social problems.
- Helping ensure the management of water issues related to the Columbia River Treaty takes account of the region's interest in a range of values.
- Enhancing Basin heritage and culture.

Strategic Goals, Key Activities and Strategies:

To meet the overall goal for the delivery of benefits, the Columbia Basin Trust has developed three strategic goals/objectives:

- To increase the opportunities for Basin residents to meet community priorities on a geographic basis through local government.
- To work with people already in their respective fields to help residents increase the opportunities to meet Basin-wide priorities in five key sectors:
    - Economic Development
    - Environment
    - Social
    - Education and Training
    - Arts, Culture and Heritage
- To build bridges between sectors as well as dealing with Basin-wide priorities as they come forward.

3.4.1 Goal/Objective 1: Community Priorities

To increase the opportunities for Basin residents to meet community priorities on a geographic level.

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Community Initiatives **Budget:** $1.3 million per annum	Empower local governments to react quickly to identify community concerns.	Needs of communities are being met.	Identified needs of communities being met. Ensure consistent program delivery throughout entire Basin.	Identified needs of communities being met. Ensure program delivery is consistent with solutions identified. Assess effectiveness of program.	Identified needs of communities being met. Review program to see if it should proceed beyond 10-year commitment to local governments.
	Increase funds leveraged through program.	Funding amounts leveraged.	Establish baseline of funds leveraged based on 2001-02 report. Share with other local government jurisdictions.	Increase the funds leveraged by local governments and committed groups.	Increase the funds leveraged by local governments and committed groups.

3.4.2 Goal/Objective 2: Sector Priorities

To increase the opportunities to meet Basin wide priorities, as outlined in the Columbia Basin Management Plan, in five key sectors:

- Economic Development
- Environment
- Social
- Education and Training
- Arts, Culture and Heritage

3.4.2.1 Economic Development Sector: Key Activities

Provide supportive funding for community economic development projects that will increase Basin and community self-reliance.

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Basin Business Advocates Program **Budget:** $440,000 per annum	Increase the number of Basin businesses benefiting from program.	Businesses have increased profits as a result of the program.	Expand program to 4 additional communities. Confirm positive benefits of program with participating businesses.	If results positive, increase number of businesses accessing program over Aug 01 baseline by 5%.	If results continue to be positive, increase number of businesses accessing the program by 10% over Aug 01 baseline.

	Increase service delivery to be Basin-wide.	Advocates available to serve all areas of the Basin.	Database includes additional businesses from the 4 communities previously not served by this program.	Total number of businesses that have received training support from program increased by 5% over Aug 01 baseline.	Total number of businesses receiving training support increased by 10% over Aug 01 baseline.
	Increase service to young entrepreneurs. Publicize through youth magazine.	Advocates' time spent with, and number of young entrepreneurs, in delivery agent contact database.	Establish baseline by including information on age of business owner on contact sheet and track advocate time spent with each business.	Increase services for young entrepreneurs by 5% over March 02 baselines.	Maintain level of services for young entrepreneurs.
	Increase support for businesses planning to access or already accessing markets outside the Basin.	Number of businesses in delivery agent contact database reporting marketing plans and activities for outside the Basin.	Establish baseline by including information on whether the business has markets or plans to have markets outside the Basin on contact sheet.	Increase the number of businesses, which market outside the Basin, by 5% over the March 02 baseline.	Increase the number of businesses, which market outside the Basin, by 10% over the March 02 baseline.
Rural Economic Development Program **Budget:** $108,000 per annum	Increase the capacity of the smallest/most remote communities to initiate economic development activities. More communities in Basin have strategic economic development plans.	Number of remote/rural communities and communities of interest receiving economic development support from the Rural Economic Development Program increased.	Provide capacity building for 4 communities.	Provide capacity building to 2 additional communities and maintain program for currently participating communities.	Provide capacity building to 2 additional communities and maintain program for currently participating communities.
			Provide capacity building coaching for at least one Basin-wide special interest community.	Provide capacity building for at least one additional community of interest and maintain program for currently participating communities.	Provide capacity building for at least one additional community of interest and maintain program for currently participating communities.

	Increase the capacity of Basin communities of interest to initiate economic development activities.	Jobs created. rural community economic development needs met.	Establish baseline of amount of economic development funding currently being accessed by these communities and number of jobs in community.	Increase the number of Basin communities actively pursuing economic development strategies for their community by 10% over baseline established in 02 03.	Increase the number of Basin communities actively pursuing economic development strategies for their community by 15% over baseline established in 02 03 if job creation results are positive.

3.4.2.2 Environment Sector: Key Activities

Maintain healthy ecosystems in a naturally functioning state and improve the functioning of those already altered and degraded. All CBT environment sector programs are community supported. broad based initiatives. planned in co-operation with other agencies working in the environmental area.

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Community Environmental Projects **Budget:** $350,000 (FY 02-03)	Increase the opportunities for funding of community initiated and or supported ecosystem restoration and conservation projects.	Number of successful community initiated and or supported ecosystem restoration and conservation projects.	Establish a baseline of CBT funded projects from 01-02 reports and increase the number of community initiated and or public supported ecosystem restoration and conservation projects funded by 10%.	Increase the number of community initiated and/or supported ecosystem restoration and conservation projects funded by 10%.	Increase the number of community initiated and or supported ecosystem restoration and conservation projects funded by 10%.
	Evaluate effectiveness of the Program using environmental indicators and public acceptance.	Data coming from evaluation of program; particularly including the key indicators which will be monitored.	Evaluation plan developed.	Evaluation implemented.	Program decision made and implemented on basis of evaluation.

Environmental Education and Awareness Program **Budget:** $175,000 (FY 02-03)	Provide funding for community initiated and or supported environmental stewardship and educational activities, including a greater understanding of the impacts of dams.	Number of community initiated and or supported environmental stewardship and educational activities funded.	Establish baseline of projects funded from 01-02 report and maintain number of community initiated and or supported environmental stewardship & educational activities funded.	Increase the number of community initiated and supported environmental stewardship and educational activities by 10%.	Maintain or increase the number of community initiated and or supported environmental stewardship and educational activities funded by 10%.
	Provide funding for school based environmental stewardship and educational activities.	Number of schools classes and students engaged in environmental stewardship and educational activities.	All grades 4-7 classes have access to Magic Basin Field Trip program.	Increase access to environmental stewardship and education activities to school target audience in addition to grades 4-7.	Maintain access to environ-mental stewardship and education activities to school target audience in addition to grade 4-7.
	Evaluate effectiveness of the program.	Data coming from program evaluation.	Evaluation plan developed.	Evaluation implemented.	Program decision made and implemented on basis of evaluation.

3.4.2.3 Social Sector: Key Activities

The Columbia Basin Trust is endeavouring to engage those people more at risk at an early age to lessen their future dependency on social support systems.

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Early Childhood Supports Program **Budget**: $100,000 (02 03 FY)	Invest dollars to fund community initiated and supported projects that are most consistent, and have had best results, with helping children reach healthy maturation.	Number of community based groups with projects most consistent with helping children reach healthy maturation funded in program.	Establish criteria for consistency with healthy maturation and baseline from 00 01, 02 03 reports for next funding cycle. Help find other funding to build sustainability.	N A program ends	N A program ends

	Review effectiveness of projects funded for future program decisions.	Data on funded project related to program goal of helping children reach healthy maturation.	Review projects that have been funded for consistency with goal.	Review of projects funded and evaluated. Final report to Board of Directors.	Decisions about future program based on outcome of review.
Families Program **Budget:** $240,000 (02/03 FY) **Budget:** $150,000 (03/04 FY) **Budget:** $90,000 (04/05 FY)	Provide funding for community initiated and supported families' projects most consistent with strengthening Basin families. Projects are funded for one year.	Number of community based groups with projects most consistent with strengthening Basin families funded in program.	Initiate program, provide funding for 10 new projects.	Provide funding for 6 new projects. Ten projects from previous year are completed.	Provide funding for 4 new projects. Six projects from previous year are completed.
Youth Program **Budget**: $120,000 (02/03 FY) **Budget:** $240,000 (03/04 FY) **Budget:** $150,000 (04/05 FY)	Provide funding for youth projects in Basin using youth participation in designing program and selecting projects.	Number and quality of youth projects funded throughout the Basin. Development of leadership skills.	Engage a new group of youth to design a program and select community projects that encourage leadership, volunteerism and usable work experience. Previous projects evaluated.	Engage a new group of youth to design a program and select community projects that encourage leadership, volunteerism and usable work experience. Previous projects evaluated.	Engage a new group of youth to design a program and select community projects that encourage leadership, volunteerism and usable work experience. Previous projects evaluated for overall value to communities.
		Degree to which youth design and implement the program.	Program designed and implemented by youth.	Implementation of program by youth.	Implementation of program by youth maintained.

3.4.2.4 Education Sector: Key Activities

Literacy, Training Fee Support

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Resources for Family Literacy **Budget:** $180,000 per annum	Increase the number of Basin communities participating in literacy programs.	Number of communities participating in literacy programs and services.	Increase number of Basin communities participating in literacy programs and services to 17 communities in the Basin.	All Basin communities participating in literacy programming and services.	Maintain literacy programming levels and services.

	Hold a literacy forum to bring together a Basin-wide representative group of literacy program providers to a coordinated approach to literacy programming in the Basin.	Representation from all literacy service providers participating at literacy forum to develop a coordinated approach to literacy programming.	All literacy service providers represented and participating in strategy development Literacy Forum.	N A	N A
	Establish a baseline of clients in literacy services and program in the Basin through a cooperative strategy.	Proportion of literacy service providers utilizing strategy.	Literacy service providers start to utilize strategy.	75% of service providers utilize the strategy.	100% of service providers utilize the strategy.
		Number of clients participating in Basin literacy programs.	Baseline of clients in literacy programs established.	Increase the number of participants in Basin literacy programs and services by 10%.	Increase the number of participants in literacy programs and services by 10%.
	Develop long-term sustainable financial strategies to ensure the continuity of literacy programming without reliance on government funding.	Literacy and Learning Foundation established.	Feasibility study completed.	Funds secured for potential foundation.	Foundation registered.

Training Fee Support Program **Budget:** $35,000 per annum	Increase employment rates for Basin residents by providing bursaries to Basin residents needing short education or training courses programs that are essential to identified employment in their geographic area.	Number of Basin residents accessing the program and gaining employment.	Increase the number of residents accessing the program by 10%. Review employment results. If results successful, seek additional funding.	Depending on results, increase the number of residents accessing the program by 5%. Review employment results.	Depending on results, increase the number of residents accessing the program by 10%. Review employment results.
	Increasing the employability level of residents by providing bursaries to clients based on the needs of employers in specific geographic regions.	Employment rate for clients participating in the program.	Increase the employment rate of those participating in the program. Establish a baseline of employment needs by geographic area.	Increase the employment rate of those participating in the program. 50% of bursaries specific to employment needs of geographic areas.	Maintain employment rates for clients accessing the program, and number of bursaries specific to geographic employment needs.

3.4.2.5 Arts Culture and Heritage Sector: Key Activities

Enhance Basin heritage and culture.

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Funding Support to Communities for Arts, Culture and Heritage **Budget:** $172.000 per annum	Increase the number of Basin residents participating in arts and culture programs and events.	Number of Basin residents participating in arts and cultureprograms and events.	Increase the number of Basin residents participating in arts and culture programs/events by 8%.	Increase the number of Basin residents participating in arts and culture programs/events by 7%.	Increase the number of Basin residents participating in arts and culture programs/events by 5%.
	Provide funds directly to artists and cultural workers to employ artists and cultural workers in the Basin.	Proportion of income of arts and culture workers obtained through arts and culture work.	Establish baselines for proportion of income from arts and culture activities.	Increase to 10% the portion of income from arts and culture activities funded.	Increase to 15% the portion of income from arts and culture activities funded.

	Increase the ability of Heritage organizations in the Basin to affect program decisions.	Increased participation of heritage organizations in Basin programs decision-making.	Research and identify potential models to incorporate heritage organizations in Basin programs decision-making.	Consult with stakeholders to refine and choose appropriate model.	Board decision on the model to incorporate Heritage organizations in Basin program decision-making.

3.4.3 Goal/Objective 3: Basin-wide Priorities

To increase the opportunities to meet cross-sectoral. Basin-wide priorities

3.4.3.1 Basin Initiatives: Key Activities

Water Management. Community Foundations. Scholarships. Land Trusts. Youth Programs. Communications. Information Gathering

Activities/ Programs	Key Strategies	Measures	Targets 02/03	Targets 03/04	Targets 04/05
Water Management **Budget:** $100,000	Develop educational tools and materials to increase awareness of Basin residents. CBT Board and staff on water management issue.	Level of awareness on water management issues demonstrated by Basin residents and organizations.	Initial educational tools and materials developed. Instruments to measure residents' awareness developed.	Educational tools and materials utilized for increasing Basin residents' awareness of water management issues.	Residents' awareness levels measured to establish baseline.
	Work with other organizations and Basin residents to ensure representation of the interests of Basin residents in the re-negotiation of water agreements/ treaties, and to coordinate communities to ensure BC speaks with a single voice on water related issues on the Columbia River.	B.C. speaks with a united voice on matters of water management on the Columbia River system using all possible benefits: electricity production, flood control and regional issues. Basin residents' interests are represented in the re-negotiation of water agreements/ treaties.	All interested parties brought together to develop common strategy. Research conducted on appropriate models to ensure that Basin residents' interests will be represented in the renegotiation of water agreements/ treaties.	Consultation with Basin residents conducted to determine the model that will best ensure their interests are represented in the renegotiation of water agreements/ treaties.	Development of measures to gauge the degree to which residents feel their interests are being represented as the model is implemented.

Endowment Support to Basin Community Foundations **Budget:** $100,000 per annum	Assist Basin communities to move toward self-reliance and to local decision-making for funding community initiated and supported projects by supporting the growth of Basin community foundations.	Number of Basin community foundations.	3 new community foundations in Basin registered with Community Foundations Canada (CFC).	2 new community foundations in Basin registered with CFC.	2 new community foundations in Basin registered with CFC.
		$ in endowment funds in Basin community foundations.	Baseline of $ in endowment funds established based on 01-02 report and endowment funds in Community Foundations increased by 50% through leveraged funding.	Endowment funds in Community Foundations increased by 50% through leveraged funding.	Endowment funds in Community Foundations increased by 50% through leveraged funding.
Youth Links **Budget:** $150,000 per annum	Increase participants' understanding of current social, economic and environmental issues in Basin communities through their work on community projects.	Participants rating of understanding of current social, economic and environmental issues in Basin communities through their work on community projects as indicated on their evaluation forms.	Community projects are selected on the basis of the value they have for increasing understanding of current social, economic and environmental issues in Basin communities.	Participants' rating of understanding of current social, economic and environmental issues in Basin communities is higher than year before changes were implemented.	Participants' rating of understanding of current social, economic and environmental issues in Basin communities is higher than year before changes were implemented.
	Increase in knowledge and awareness of youth about Columbia Basin.	Youth demonstrate knowledge of the Basin through follow-up activities.	Quality and content of follow-up activities are rated in terms of Basin knowledge and 50% of participants' follow-up activities rate high in terms of Basin knowledge.	Quality and content of follow-up activities are rated in terms of Basin knowledge and 60% of participants' follow-up activities rate high in terms of Basin knowledge.	Quality and content of follow-up activities are rated in terms of Basin knowledge and 65% of participants' follow-up activities rate high in terms of Basin knowledge.

	Encourage students in the Basin to become involved in their communities.	Number of students involved in community activities.	Establish a baseline of Basin students involved as volunteers in their communities.	Increase the number of students involved as volunteers in their communities.	Increase the number of students involved as volunteers in their communities.
Youth and Community Involvement Scholarship **Budget:** $160,000 per annum	Work with Columbia Mountain Open Network to undertake an engineering study to determine the viability from an engineering point of view of the plan to build an advanced telecommunications infrastructure in all communities in the Columbia Basin.	Engineering assessment of the plan to build an advanced telecommunications infrastructure in the Columbia Basin.	Engineering and business plans tabled. Review possible funding due to federal and provincial cutbacks.	Targets developed from engineering and business plans.	To be determined after targets established.
Advanced Telecommunications Infrastructure	Increase Basin residents' access to information about the Basin by developing a partnership of interested organizations and agencies using a single database.	Number of partners willing to participate to take project into next stage.	List of potential indicators and sources for the information developed and business plan developed.	Partnership agreements developed and signed.	Partnership arrangements implemented.
Basin Information Network	Increase Basin residents' access to information about the Basin by developing a partnership of interested organizations and agencies using a single database.	Number of partners willing to participate to take project into next stage.	List of potential indicators and sources for the information developed and business plan developed.	Partnership agreements developed and signed.	Partnership arrangements implemented.

In addition to the key programs/activities listed here, the Columbia Basin Trust funds other initiatives in its delivery of benefits on a time limited and/or as required basis and new programs are in development. Those listed here however constitute the core activities in the delivery of benefits component of the Columbia Basin Trust overall activities at this time.

4 SUMMARY FINANCIAL OUTLOOK 2002/03–2004/05 SERVICE PLAN

($000)	2001/02 (latest forecast)	2002/03 (budget)	2003/04 (forecast)	2004/05 (forecast)
Total Revenue	5,456	9,576	8,449	9,280
Deposits and securities	1,200	700	300	200
Business loans	1,560	1,960	2,050	2,050
Real estate	306	372	424	424
Business interests	-	350	400	500
Power project	390	4,194	3,275	4,106
BC Development benefit	2,000	2,000	2,000	2,000
Total Expenses	6,456	6,950	7,250	7,650
Corporate operations	2,706	3,200	3,500	3,900
Spending Program	3,750	3,750	3,750	3,750
Operating Income (loss)*	(1,000)	2,626	1,199	1,630
Net Income (loss)	(1,000)	2,626	1,199	1,630

* Net loss due to auditor-required write off of due diligence costs associated with purchase of West Kootenay Power plants.

Key Assumptions	Forecast Risks and Sensitivities
1. Deposits and securities income: - 5.5% per annum on year-end balance 2. Business loan income: - 6.5% per annum after providing for a capital maintenance provision of 2% 3. Power project short-term borrowing rate is 5.5%. 4. Power projects: - interest rate on short-term investments is 5%. - forecasts do not include Waneta upgrades, Waneta expansion, or other uncommitted projects. 5. Assumptions underlying these forecasts may change as a result of outcomes from the Core Services Review and new provincial energy review policies.	1. Fluctuating interest rates have a direct effect on the income of deposits and securities, business loan income, and power project income. 2. Power project borrowing rate is affected by fluctuations in interest rates. 3. Lack of sufficient water may mean that power cannot be generated at Arrow Lakes Generating Station, thus reducing forecast incomes. 4. Lower power prices can relate to a major reduction in forecast income from power projects.

Capital Expenditure (Disposal) Schedule

Fiscal 2002 – Fiscal 2005

CONSOLIDATED
CAPITAL SPENDING
(Unaudited)

	Actual FY2001	Forecast FY2002	Forecast FY2003	Forecast FY2004	Forecast FY2005
ARROW LAKES POWER COMPANY					
Arrow Lakes Generating Station	48,847	48,955	3,863	-	-
POWER PROJECT PLANNING					
Brilliant Expansion	1,490	2,209	16,451	27,623	26,715
Waneta Expansion	236	1,135	2,187	2,233	3,232
Waneta Upgrades	5	16	76	-	-
Brilliant Terminal Station (BTS)	354	332	-	-	-
Other Projects	917	740	100	100	100
General Power Project Planning	-	367	100	100	100
COLUMBIA BASIN POWER COMPANY					
Brilliant Sustaining Capital / Upgrades	10,641	10,458	10,773	370	2,058
Brilliant Terminal Station (BTS)	-	-	9,297	2,535	-
COLUMBIA BASIN TRUST CORPORATE					
Computers, furniture, equipment	150	150	200	200	200
	62,640	64,362	43,047	33,161	32,405

Arrow Lakes Generating Station

The Arrow Lakes Generating Station will produce approximately 170 megawatts of power capacity and deliver approximately 760 gigawatt hours of electricity annually. Construction was effectively completed in FY2002. Commissioning of the power plant was attempted in October 2001. The status of this attempt is currently under review.

Brilliant Expansion

The proposed $125 million Brilliant Expansion project will see the construction of a second powerhouse at the Brilliant Dam. This project will provide approximately 100 megawatts of power capacity. It is currently going through a design/build tendering process with two engineering construction consortiums. Construction is expected to start in the fall of 2002.

Waneta Expansion

Using the expansion rights currently owned by CBT CPC, the joint venturers plan to build a 380-megawatt facility below the Waneta Dam. Environmental studies are currently underway to evaluate the impact of the construction and operation of the dam on white sturgeon and other species. Construction costs are expected to be approximately $300 million.